mile: AES Input = 5 g CO_2/ton-mile × (1–(maximum allowable number of idling hours per year/1,800 hours)). This is an annual allowance that starts when the vehicle is new and resets every 12 months after that. Manufacturers may propose an alternative method based on operating hours or miles instead of years.

(d) *Adjustable parameters.* Provisions that apply generally with respect to adjustable parameters also apply to the AES system operating parameters, except the following are not considered to be adjustable parameters:

(1) Accelerator, brake, and clutch pedals, with respect to resetting the idle timer. Parameters associated with other timer reset mechanisms we approve are also not adjustable parameters.

(2) Bypass parameters allowed for vehicle service under paragraph (b)(2) of this section.

(3) Parameters that are adjustable only after the expiration point.

[76 FR 57398, Sept. 15, 2011, as amended at 78 FR 36394, June 17, 2013]

Subpart H—Averaging, Banking, and Trading for Certification

§ 1037.701 General provisions.

(a) You may average, bank, and trade (ABT) emission credits for purposes of certification as described in this subpart and in subpart B of this part to show compliance with the standards of §§ 1037.105 and 1037.106. Participation in this program is voluntary.

(b) The definitions of Subpart I of this part apply to this subpart. The following definitions also apply:

(1) *Actual emission credits* means emission credits you have generated that we have verified by reviewing your final report.

(2) *Averaging set* means a set of vehicles in which emission credits may be exchanged. Credits generated by one vehicle may only be used by other vehicles in the same averaging set. Note that an averaging set may comprise more than one regulatory subcategory. See § 1037.740.

(3) *Broker* means any entity that facilitates a trade of emission credits between a buyer and seller.

(4) *Buyer* means the entity that receives emission credits as a result of a trade.

(5) *Reserved emission credits* means emission credits you have generated that we have not yet verified by reviewing your final report.

(6) *Seller* means the entity that provides emission credits during a trade.

(7) *Standard* means the emission standard that applies under subpart B of this part for vehicles not participating in the ABT program of this subpart.

(8) *Trade* means to exchange emission credits, either as a buyer or seller.

(c) Emission credits may be exchanged only within an averaging set as specified in § 1037.740.

(d) You may not use emission credits generated under this subpart to offset any emissions that exceed an FEL or standard, except as allowed by § 1037.645.

(e) You may trade emission credits generated from any number of your vehicles to the vehicle purchasers or other parties to retire the credits. Identify any such credits in the reports described in § 1037.730. Vehicles must comply with the applicable FELs even if you donate or sell the corresponding emission credits under this paragraph (e). Those credits may no longer be used by anyone to demonstrate compliance with any EPA emission standards.

(f) Emission credits may be used in the model year they are generated. Surplus emission credits may be banked for future model years. Surplus emission credits may sometimes be used for past model years, as described in § 1037.745.

(g) You may increase or decrease an FEL during the model year by amending your application for certification under § 1037.225. The new FEL may apply only to vehicles you have not already introduced into commerce.

(h) See § 1037.740 for special credit provisions that apply for credits generated under § 1037.104(d)(7), § 1037.615 or 40 CFR 1036.615.

(i) Unless the regulations explicitly allow it, you may not calculate credits more than once for any emission reduction. For example, if you generate CO_2

emission credits for a given hybrid vehicle under this part, no one may generate CO_2 emission credits for the hybrid engine under 40 CFR part 1036. However, credits could be generated for identical engine used in vehicles that did not generate credits under this part.

§ 1037.705 Generating and calculating emission credits.

(a) The provisions of this section apply separately for calculating emission credits for each pollutant.

(b) For each participating family or subfamily, calculate positive or negative emission credits relative to the otherwise applicable emission standard. Calculate positive emission credits for a family or subfamily that has an FEL below the standard. Calculate negative emission credits for a family or subfamily that has an FEL above the standard. Sum your positive and negative credits for the model year before rounding. Round the sum of emission credits to the nearest megagram (Mg), using consistent units throughout the following equations:

(1) For vocational vehicles:

Emission credits (Mg) = (Std-FEL) × (Payload Tons) × (Volume) × (UL) × (10^{-6})

Where:

Std = the emission standard associated with the specific tractor regulatory subcategory (g/ton-mile).
FEL = the family emission limit for the vehicle subfamily (g/ton-mile).
Payload tons = the prescribed payload for each class in tons (2.85 tons for light heavy-duty vehicles, 5.6 tons for medium heavy-duty vehicles, and 7.5 tons for heavy heavy-duty vehicles).
Volume = U.S.-directed production volume of the vehicle subfamily. For example, if you produce three configurations with the same FEL, the subfamily production volume would be the sum of the production volumes for these three configurations.
UL = useful life of the vehicle (110,000 miles for light heavy-duty vehicles, 185,000 miles for medium heavy-duty vehicles, and 435,000 miles for heavy heavy-duty vehicles).

(2) For tractors:

Emission credits (Mg) = (Std-FEL) × (Payload tons) × (Volume) × (UL) × (10^{-6})

Where:
Std = the emission standard associated with the specific tractor regulatory subcategory (g/ton-mile).
FEL = the family emission limit for the vehicle subfamily (g/ton-mile).
Payload tons = the prescribed payload for each class in tons (12.5 tons for Class 7 and 19 tons for Class 8).
Volume = U.S.-directed production volume of the vehicle subfamily.
UL = useful life of the tractor (435,000 miles for Class 8 and 185,000 miles for Class 7).

(c) As described in § 1037.730, compliance with the requirements of this subpart is determined at the end of the model year based on actual U.S.-directed production volumes. Keep appropriate records to document these production volumes. Do not include any of the following vehicles to calculate emission credits:

(1) Vehicles that you do not certify to the CO_2 standards of this part because they are permanently exempted under subpart G of this part or under 40 CFR part 1068.

(2) Exported vehicles.

(3) Vehicles not subject to the requirements of this part, such as those excluded under § 1037.5.

(4) Any other vehicles, where we indicate elsewhere in this part 1037 that they are not to be included in the calculations of this subpart.

§ 1037.710 Averaging.

(a) Averaging is the exchange of emission credits among your vehicle families. You may average emission credits only within the same averaging set.

(b) You may certify one or more vehicle families (or subfamilies) to an FEL above the applicable standard, subject to any applicable FEL caps and other provisions in subpart B of this part, if you show in your application for certification that your projected balance of all emission-credit transactions in that model year is greater than or equal to zero or that a negative balance is allowed under § 1037.745.

(c) If you certify a vehicle family to an FEL that exceeds the otherwise applicable standard, you must obtain enough emission credits to offset the vehicle family's deficit by the due date for the final report required in § 1037.730. The emission credits used to

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